

<u>TITLE 19</u>	EDUCATION
<u>PART 1</u>	TEXAS HIGHER EDUCATION COORDINATING BOARD
<u>CHAPTER 22</u>	STUDENT FINANCIAL AID PROGRAMS
<u>SUBCHAPTER M</u>	TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM
New RULE §22.264	Allocation and <u>Disbursement</u> [ <del>Reallocation</del> ] of Funds – Public Technical and State Colleges

*{Strawman note: The text changes below show how the current rule §22.262, which currently covers both community colleges and public technical and state colleges, would be changed to create a rule dedicated solely to public technical and state colleges. The actual posting of the rule in the Texas Register would not show these changes, and would, instead, show rule §22.264 as an entirely new rule.}*

~~[(a) Allocations for Fiscal Year 2015:~~

- ~~–(1) Initial Year Funds. Available program funds for initial year awards will be allocated to each participating institution in proportion to each institution's share of the state's undergraduate financial aid population with significant amounts of financial need.~~
- ~~–(2) Renewal Year Funds. Available program funds for continuation or renewal awards will be allocated in proportion to the number of prior year recipients reported for each institution, adjusted for the institution's student retention rate.~~

~~(b) Allocations for public junior colleges for Fiscal Year 2016 and Later. Allocations are to be determined on an annual basis as follows:~~

- ~~–(1) The allocation base for each eligible institution will be the number of students it reported in the most recent Financial Aid Database Report who met the following criteria:
 
  - ~~(A) were classified as Texas residents,~~
  - ~~(B) were enrolled as undergraduates half time, three-quarter time or full time,~~
  - ~~(C) completed either the FAFSA or the TASFA, and~~
  - ~~(D) have a 9-month Expected Family Contribution less than or equal to the Federal Pell Grant eligibility cap for the year reported in the Financial Aid Database Report.~~~~
- ~~–(2) Each institution's percent of the available funds will equal its percent of the state wide need as determined by multiplying each institution's enrollments by the respective award maximums of students who meet the criteria in subsection (b)(1) of this section.~~
- ~~–(3) No institution's annual allocation will be reduced by more than 15 percent of the prior year's annual allocation not including any reallocations that occurred in that prior year. This provision will apply to FY2016 and FY2017 allocations after which it will expire.]~~

(a) ~~[(e)]~~ Allocations for public technical colleges and public state colleges for Fiscal Year 2016 and Later. Allocations are to be determined on an annual basis as follows:

- (1) The allocation base for each eligible institution will be the number of students it reported in the most recent Financial Aid Database System Report who met the following criteria:
  - (A) were classified as Texas residents,
  - (B) were enrolled as undergraduates half-time, three-quarter time or full-time,
  - (C) completed either the FAFSA or the TASFA, and

(D) have a 9-month Expected Family Contribution less than or equal to the Federal Pell Grant eligibility cap for the year reported in the Financial Aid Database System Report.

(2) Each institution's percent of the available funds will equal its percent of the state-wide need as determined by multiplying each institution's enrollments by the respective award maximums of students who meet the criteria in subsection (b)(1) of this section.

(3) {Strawman note: The following language would allow for allocations to be calculated for both years of the biennium at the same time, rather than calculating the allocations annually, using the same data to calculate both years of the biennium.} Beginning with annual allocations for Fiscal Year 2020, allocations for both years of the state appropriations' biennium will be completed at the same time. The allocation process for the second year of the state appropriations' biennium will utilize the same student data, outlined in this rule, as utilized for the first year of the biennium. Institutions will receive notification of their allocations for both years of the biennium at the same time.

(3) {Strawman note: Alternately, the following language would also allow for allocations to be calculated for both years of the biennium at the same time, rather than calculating the allocations annually, but would forecast the data utilized in calculating the second year of the biennium, rather than using the same data for the calculation of both years.} Allocations for both years of the state appropriations' biennium will be completed at the same time. The three most recent certified Financial Aid Database System submissions will be utilized to forecast the data utilized in the calculation of the allocation for the second year of the biennium. Institutions will receive notification of their allocations for both years of the biennium at the same time.

(4) [(d)] Verification of Data [for Fiscal Year 2016 and Later]. Allocation calculations will be shared with all participating institutions for comment and verification prior to final posting and the institutions will be given 10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the allocation report accurately reflects the data they submitted or to advise Board staff of any inaccuracies.

[(e) Reallocations. Institutions will have until the close of business on February 20 or the first working day thereafter if it falls on a weekend or a holiday to encumber the program funds that have been allocated to them. On that date, institutions lose claim to any unencumbered funds, and the unencumbered funds are available to the Board for reallocation to other institutions. For the institutions that request additional funds, reallocations for amounts up to the amount requested per institution will be calculated on the same basis as was used for the allocation for the relevant fiscal year. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.]

(b) [(f)] Disbursement of Funds to Institutions. As requested by institutions throughout the academic year [fall and spring terms], the Board shall forward to each participating institution a portion of its allocation of funds for timely disbursement [immediate release] to students [or immediate application to student accounts at the institution]. {Strawman note: Timely disbursement is now defined in §TAC 22.2.}

*{Strawman note: the following language is suggested if allocations are calculated annually.}*  
Institutions will have until the close of business on August 1, or the first working day thereafter if it falls on a weekend or holiday, to encumber program funds from their allocation. After that date, institutions lose claim to any funds not yet drawn down from the board for timely disbursement to students. Funds released in this manner become available to the Board for utilization in grant processing. Should these unspent funds result in additional funding available for the next year's program, revised allocations, calculated according to the allocation methodology outlined in this rule, will be issued to participating institutions during the fall semester.

*{Strawman note: the following language is suggested if allocations for both years of the biennium are calculated at the same time.}*  
Institutions will have until the close of business on August 1, or the first working day thereafter if it falls on a weekend or holiday, to encumber program funds from their allocation. After that date, institutions lose claim to any funds not yet drawn down from the Board for timely disbursement to students. Funds released in this manner in the first year of the biennium become available to the institution for use in the second year of the biennium. Funds released in this manner in the second year of the biennium become available to the Board for utilization in grant processing. Should these unspent funds result in additional funding available for the next biennium's program, revised allocations, calculated according to the allocation methodology outlined in this rule, will be issued to participating institutions during the fall semester.

(c) Reductions in Funding.

(1) If annual funding for the program is reduced after the start of a fiscal year, the Board may take steps to help distribute the impact of reduced funding across all participating institutions by an across-the-board percentage decrease in all institutions' allocations.

(2) If annual funding is reduced prior to the start of a fiscal year, the Board may recalculate the allocations according to the allocation methodology outlined in this rule for the affected fiscal year based on available dollars.

~~[(g) Authority to Transfer Funds. Institutions participating in a combination of the Texas Educational Opportunity Grant and Texas College Work Study Programs, in accordance with instructions from the Board, may transfer in a given fiscal year up to the lesser of 10 percent or \$20,000 between these programs. This threshold is applied to the program from which the funds are being transferred.]~~ *{Strawman note: This item will be moved to §22.265: Authority to Transfer Funds, to structurally align with the administrative code for other state financial aid programs, since it is unrelated to allocation methodology.}*

**TEOG Funds Reallocated**

<b>FICE</b>	<b>Institution</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>Total</b>
<b>Public Technical and State Colleges</b>								
036273	Lamar Institute of Technology	-	-	-	-	97,412.00	-	<b>97,412.00</b>
023582	Lamar State College at Orange	-	3,615.00	-	-	-	-	<b>3,615.00</b>
023485	Lamar State College at Port Arthur	-	23,100.00	189,756.00	-	-	-	<b>212,856.00</b>
003634	Texas State Technical College - Waco	162,148.00	406,395.00	422,323.00	-	-	109,920.00	<b>1,100,786.00</b>
<b>Total:</b>		<b>162,148.00</b>	<b>433,110.00</b>	<b>612,079.00</b>	<b>-</b>	<b>97,412.00</b>	<b>109,920.00</b>	<b>1,414,669.00</b>

<b>TEOG Funds Returned</b>								
<b>FICE</b>	<b>Institution</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018*</b>	<b>Total</b>
<b>Public Technical and State Colleges</b>								
036273	Lamar Institute of Technology	37,937.00	-	-	-	-	-	<b>37,937.00</b>
023582	Lamar State College at Orange	-	-	831.00	1,061.00	177,584.00	30,282.00	<b>209,758.00</b>
023485	Lamar State College at Port Arthur	37,000.00	379.00	-	954.00	3,105.00	391.00	<b>41,829.00</b>
003634	Texas State Technical College - Waco	14,527.00	945.00	80,582.00	-	-	-	<b>96,054.00</b>
<b>Total:</b>		<b>89,464.00</b>	<b>1,324.00</b>	<b>81,413.00</b>	<b>2,015.00</b>	<b>180,689.00</b>	<b>30,673.00</b>	<b>385,578.00</b>

\* Funds returned as of 4/3/18

**NRMC TEOG Data Run: Eliminating Reallocations (Biennial Allocations)**

FICE	Institution	FY18 + FY19 Initial Allocations: Current Methodology	Share of Total Allocation (Current)	Biennial Allocations: Proposed Methodology	Share of Total Allocation (Proposed)	Share Difference between Current Methodology and Proposed Methodology	Dollar Difference between Current Methodology and Proposed Methodology
<b>Public TSTC and Lamar Colleges</b>							
036273	Lamar Institute of Technology	\$ 786,340.00	10.46%	825,971.00	10.87%	0.41%	\$ 39,631
023582	Lamar State College at Orange	\$ 674,301.00	8.97%	687,676.00	9.05%	0.08%	\$ 13,375
023485	Lamar State College at Port Arthur	\$ 777,354.00	10.34%	768,222.00	10.11%	-0.23%	\$ (9,132)
003634	Texas State Technical College - Waco	\$ 5,281,389.00	70.24%	5,316,762.00	69.97%	-0.27%	\$ 35,373
<b>Total:</b>		<b>\$ 7,519,384</b>	<b>100.01%</b>	<b>\$ 7,598,631</b>	<b>100.00%</b>	<b>-0.01%</b>	<b>\$ 79,247</b>

\* Share calculations rounded to two decimal points for NRMC. Thus FY18 allocation figure may be slightly different than what the institution received.

FICE	Institution	Eligible students used in: FY18 Current Methodology and Biennial Proposed Methodology	Share of Eligible Students (Weighted for Enrollment Level)	Eligible students used in: FY19 Current Methodology	Share of Eligible Students (Weighted for Enrollment Level)	Change in share of eligible students from FY18 to FY19
<b>Public TSTC and Lamar Colleges</b>						
036273	Lamar Institute of Technology	1,034	10.87%	1,002	10.05%	-0.83%
023582	Lamar State College at Orange	851	9.05%	883	8.89%	-0.17%
023485	Lamar State College at Port Arthur	989	10.11%	1,097	10.57%	0.46%
003634	Texas State Technical College - Waco	7,029	69.97%	7,427	70.50%	0.53%
<b>Total:</b>		<b>9,903</b>	<b>100.00%</b>	<b>10,409.00</b>	<b>100.00%</b>	<b>0.00%</b>

**NRMC TEOG Data Run: Eliminating Reallocations (Annual Allocations)**

FICE	Institution	FY18 Initial Allocation: Current Methodology*	Share of Total FY18 Initial Allocation: Current	FY18 Revised Funding after Reallocation (subtracting unused funds)	Share of Total FY18 Funding after Reallocation	FY18 Initial Allocation: Proposed Methodology	Share of Total FY18 Allocation: Proposed
<b>Public TSTC and Lamar Colleges</b>							
036273	Lamar Institute of Technology	\$ 408,679	10.87%	\$ 408,679	10.65%	\$ 417,293	10.87%
023582	Lamar State College at Orange	\$ 340,252	9.05%	\$ 309,970	8.07%	\$ 347,424	9.05%
023485	Lamar State College at Port Arthur	\$ 380,105	10.11%	\$ 379,714	9.89%	\$ 388,117	10.11%
003634	Texas State Technical College - Waco	\$ 2,630,656	69.97%	\$ 2,740,576	71.39%	\$ 2,686,106	69.97%
<b>Total:</b>		<b>\$ 3,759,692.00</b>	<b>100.00%</b>	<b>\$ 3,838,939</b>	<b>100.00%</b>	<b>\$ 3,838,940</b>	<b>100.00%</b>

\* Share calculations rounded to two decimal points for NRMC. Thus FY18 allocation figure may be slightly different than what the institution received.

FICE	Institution	FY19 Allocation: Current Methodology	Share of Total FY19 Allocation: Current		FY19 Allocation: Proposed Methodology	Share of Total FY19 Allocation: Proposed	
<b>Public TSTC and Lamar Colleges</b>							
036273	Lamar Institute of Technology	\$ 377,661	10.04%		380,742.00	10.04%	
023582	Lamar State College at Orange	\$ 334,049	8.89%		336,774.00	8.89%	
023485	Lamar State College at Port Arthur	\$ 397,249	10.57%		400,490.00	10.57%	
003634	Texas State Technical College - Waco	\$ 2,650,733	70.50%		2,672,359.00	70.50%	
<b>Total:</b>		<b>\$ 3,759,692</b>	<b>100.00%</b>		<b>\$ 3,790,365</b>	<b>100.00%</b>	